

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 7, 2004

To: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

From: Jerome J. Heer, Director of Audits

Subject: Department of Audit 2003 Performance Report

We are pleased to present this report on the Department of Audit's 2003 performance in relation to Adopted Budget Outcome targets. Attached is the prescribed form containing the department's four outcomes and eight indicators and targets for 2003.

As expressed in our Mission Statement and reflected in our desired outcomes, the Department of Audit places great importance on providing accurate and timely information and analyses to both policy and administrative decision makers in Milwaukee County government. We are proud of the high level of satisfaction expressed by both County Board Supervisors and department heads with audit services rendered in 2003. It is through more informed decision-making that we seek to improve accountability in the provision of services and thus enhance the public trust in County governance. We would also like to note that although we did not meet our target of attaining a 2 to 1 ratio of dollar savings/revenue enhancements to audit costs, we did more than cover total audit costs for 2003. For audit services rendered in 2003, savings/revenue enhancements exceeded audit costs by a ratio of 1 to 1.

In addition to the positive performance results indicated for 2003, we would like to note some of the less tangible positive impacts of the Department of Audit during the year. For instance:

- **Enhanced Program Management.** Audits have identified areas where services to citizens could be improved through better management of County programs. While direct dollar savings have not always resulted from these types of reviews, program effectiveness and administrative accountability is improved. Examples for 2003 included audits of Parks Concessions, the Employee Grievance process, the Supportive Home Care Options contractor and the County's Disciplinary Process.
- **Safeguarding Assets.** Traditionally, audits have focused on management controls to ensure accountability for expenditures and cash collections. Although the Department of Audit emphasizes performance audits, we continue to conduct audits that ensure good stewardship. In 2003, examples included audits or reviews of inmate telephone commissions purchasing and the annual review of rental payment calculations from the Wauwatosa School District.
- **Audit Hotline.** Referrals through the Audit Hotline have generated both tangible and intangible benefits. One intangible benefit is the clear message sent to the public that Milwaukee County is concerned about high quality government services. Another message sent to those who might consider engaging in questionable activities is that we are serious about maintaining a clean government.

- **Strengthening County Government.** The Department of Audit participated in a wide variety of efforts in 2003 to make our government stronger. For instance, we provided information regarding employee health care expenses, medical services to inmates, budgeting for sick leave, revisions to the sales tax ordinances, retirement savings, and the Countywide fiscal status.

We look forward to continuing our efforts to constantly improve our performance and to meet the needs of the Milwaukee County Board, the Executive Branch, and the citizens of Milwaukee County.

Jerome J. Heer

JJH/DCJ/cah

Attachment

cc: Scott Walker, County Executive
Linda Seemeyer, Director, Department of Administrative Services
Stephen Agostini, Acting Fiscal & Budget Administrator, DAS
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Lauri Henning, Chief Committee Clerk, County Board Staff

OUTCOME MEASURES PROGRESS REPORT

DEPARTMENT NAME: **Audit**

Mission Statement: Through independent, objective and timely analysis of information, the Milwaukee County Department of Audit assists both policy makers and program managers in providing high-quality services in a manner that is honest, efficient, effective and accountable to the citizens of Milwaukee County.

| Outcome | | Indicator | Learning Target | Result | Explanatory Notes |
|---------|---|--|---|---|---|
| 1. | Improved pool of knowledge concerning Milwaukee County issues and programs among policy and administrative decision-makers. | 1a. Department heads' satisfaction with Audit services. | 1a. 75% of survey responses have an average score indicating satisfied or better with Audit Services. | 1a. 100% of 28 survey respondents had an average score indicating satisfied or better with Audit Services. The cumulative average survey response score was 4.1 on a 5-pt. scale. | 1a. Surveys of department heads included questions on the value of reports, the reasonableness and practicality of recommendations the objectivity and professionalism of staff and the impact of the Audit Department on public perceptions. |
| | | 1b. County Board of Supervisors' satisfaction with Audit Services. | 1b. 75% of survey responses have an average score indicating satisfied or better with Audit services. | 1b. 100% of 4 survey respondents had an average score indicating satisfied or better with Audit Services. | 1b. The cumulative average survey response score was 4.5 on a 5-pt. scale. |

| Outcome | | Indicator | Learning Target | Result | Explanatory Notes |
|---------|--|---|---|--|---|
| 2. | Increased County Board level of confidence in Milwaukee County's management of resources and program administration. | 2a. County Board of Supervisors' confidence in Departments' management of resources and program administration. | 2a. 75% of survey responses have an average score indicating Dept. of Audit has had a positive impact on their confidence in Milwaukee County's management of resources and program administration. | 2a. 100% of 4 survey respondents had a score indicating the Dept. of Audit has had a positive impact on their confidence in Milwaukee County's management of resources and program administration. | 2a. The cumulative survey response score was 4.6 on a 5-pt. scale. |
| 3. | Improved efficiency and effectiveness of Milwaukee County government services. | <p>3a. Dollar savings in the form of expenditure reductions, revenue enhancements or increased productivity of existing resources in relation to audit costs incurred.</p> <p>3b. Percentage of recommendations or alternatives accepted by management consistent with County priority outcomes (i.e., improve services, reduce duplications, etc.)</p> | <p>3a. Ratio of at least 2.1 dollar savings per dollar audit costs.</p> <p>3b. At least 95% of recommendations or alternatives for operation or program improvements accepted by management.</p> | <p>3a. Ratio of dollar savings per dollar audit costs in 2003 was 1:1.</p> <p>3b. 33 of 38 audit recommendations (86.8%) presented in audit reports issued in 2003 were accepted by auditees.</p> | <p>3a. 2003 audit savings/revenue enhancements = \$2,040,299. This figure includes estimated one-time savings as well as projections of recurring savings over a five-year period, discounted for present value. Audit costs in 2003 totaled \$2,001,234.</p> <p>3b. In the small number of instances in which audit recommendations were not accepted, we were satisfied that problems identified were adequately addressed.</p> |

| Outcome | | Indicator | Learning Target | Result | Explanatory Notes |
|---------|---|--|--|---|---|
| 4. | Increased public trust and satisfaction with Milwaukee County government services | 4a. Department heads' perceptions of public trust and satisfaction with Milwaukee County government services. | 4a. 75% of survey responses have a score indicating the Dept. of Audit had a positive impact on the public's general level of trust and satisfaction with services provided. | 4a. 100% of 4 survey respondents had a score indicating the Dept. of Audit had a positive impact on the public's general level of trust and satisfaction with services provided. | 4a. The cumulative average survey response score was 4.4 on a 5-pt. scale. |
| | | 4b. County Board of Supervisors' perceptions of public trust and satisfaction with Milwaukee County government services. | 4b. At least 75% of survey responses have a score indicating the perception that their constituents have trust in County government and are reasonably satisfied with County government services. | 4b. 100% of 4 survey respondents had a score indicating the Dept. of Audit had a positive impact on their constituents' general level of trust and satisfaction with County services. | 4b. The cumulative average survey response score to these questions was 4.0 on a 5-pt. scale. |
| | | 4c. Public's perceptions concerning the issue of trust and satisfaction with Milwaukee County government services. | 4c. At least 51% of survey responses (utilizing planned annual or biannual Countywide citizen survey) have an average score indicating trust in county government and reasonable satisfaction with County government services. | 4c. No survey conducted. | 4c. No survey results at this time. |